

# Realty Stock Review

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## MARKET STRATEGY: MONEY STARTS FILTERING FROM BLUE CHIPS INTO HIGH-YIELDING REITS

Pickup in market action in some higher-yielding conservative REITs such as HRE Properties and IRT Property Co. reflects fact that some money is taking gains in the Blue Chip stocks and moving into the higher yielding stocks. HRE is up about 13% since our review one month ago; IRT is up 14% in the past two weeks. Similar price action is seen elsewhere.

Last issue we outlined one strategy in this frothy market as buying into depressed but soundly capitalized growth equity REITs. We've expanded this issue to six pages to bring you reviews of several REITs that seem to fit that description. Some have been prominent on the recent New High lists: **IRT Property, MSA Realty, International Income Property.** Others have been on the New Low list recently: **EastGroup Properties, Storage Equities.**

**Storage Equities Inc.** holds C Rank in our annual review. We've not covered SEQ (NYSE--\$18.13) in detail for some time and are doing so now based on 1985 results. We removed SEQ from our Portfolio Selector list last issue in favor of Burger King Investors as a better play in land appreciation; some subscribers asked why. SEQ shares have been

weak for several months and have marked time in a bull market, largely because of rapid expansion of shares outstanding keyed to SEQ's method of acquiring properties and raising capital. Now a close look suggests that major dilution may be abating and fundamentals should reassert themselves.

**EPS/Dividends - C:** SEQ earned \$1.37 per common and equivalent sh. in 1985, down 1.4% on a 119% jump in average shares out. SEQ paid \$1.88/sh. dividends and currently is paying at \$1.92 annual rate. SEQ is the nation's largest mini-warehouse owner and holds interests in 200 storage facilities with over 269,000 storage spaces nationwide. Occupancy is slightly below 80% and the sponsor has mounted a TV marketing program to boost occupancy. We regard mini-warehouses as an excellent way to inventory land, since land averages about 33% of total property cost, vs. 10%-15% for many other property types. If land appreciates, the minimal structure can be torn down and land put to other use. SEQ thus seeks expressway and other key locations to profit from long-term land appreciation. While waiting, SEQ collects monthly rents from individuals and companies who rent spaces for storage of personal belongings, business records, etc. SEQ's \$19.3 mil. revenues in 1985 rose 55%, and \$6.7 mil. net income rose 54% under

### RANKING REVIEW ISSUE

Market Strategy..... 1  
Realty Stock Averages..... 6

**REVIEWS:** ConCap Realty....6  
EastGroup Properties..... 2  
IRT Property Co..... 3  
Investors GNMA Trust..... 6  
Intl. Income Property. 4  
MSA Realty Corp..... 5  
Mortgage Growth Inv....3  
Storage Equities.....1

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general accounting principles.

**Financial Measures - E:** Handsome as these gains are, SEQ's heavy use of convertibles and warrants to raise capital has restrained earnings and cash flow on a per-share basis and may explain SEQ's soggy performance. Because average shares more than doubled in 1985, EPS fell modestly. SEQ appears to be cash-flow positive as dividends are declared in the middle of each quarter and hence paid on shares out on that date (and not on the much higher number of average shares outstanding). But SEQ uses three share purchase and conversion plans that add to number of shares outstanding; some have variable conversion prices that could cause trouble if share prices fall or remain soft. All restrain EPS results in SEQ's computation of EPS and cash available for distribution.

(1) **Market price convertibles and preferreds.** To buy properties, SEQ has issued a total \$15 mil. (thru Dec.) convertible notes and \$700,000 preferreds on which interest is accrued but no cash interest is paid, and which become convertible at various dates thru 1990 at the average stock price from 5 to 90 days before maturity. SEQ can repay these notes in cash but hasn't done so. Lower stock prices mean more stock to be issued under the formula. Notes and preferred were converted into about 414,000 shs. in 1985.

Because interest isn't paid in cash, SEQ added the \$1.2 mil. accrued interest as part of cash available for distribution in 1985.

(2) **Below market stock purchases.** SEQ has registered a dividend and distribution reinvestment plan that lets shareholders and investors in sponsor Public Storage Inc.'s limited partnerships buy shares at 95% of average market price without paying stock commissions. About \$3.3 mil. in dividends came back to buy new shares in 1985, and new cash invested brought total capital from this source to \$18 mil. in 1985, adding about 1.05 mil. shs.

There's some fear that block traders jockeying for good deals on these discount shares have caused sharp price swings in SEQ shares. If SEQ were to revise the program to make it less of a

bargain (i.e., sell fewer shares), it would be very positive for SEQ prices.

(3) **Synthetic convertibles.** SEQ sold \$40 mil. of 9.875% mortgage notes in Dec. 1984 along with 2.36 mil. warrants to buy shs. at \$17. The notes are usable at par to exercise warrants and thru Dec. 1985 \$19 mil. mortgage notes had been surrendered for 1.12 mil. shs., leaving 1.24 mil. wts. remaining. SEQ treats amortization and interest on notes surrendered for warrants as part of its cash available for distribution, which source added \$3.7 mil. in 1985.

In total these three plans added 2.6 mil. shares to SEQ's capital in 1985, and SEQ sold another 2.3 mil. shs. at \$20.50 directly. All this increased SEQ's equity base to over \$125 mil. but also restrained reported EPS and cash flow per share.

This capitalization left SEQ with \$47.5 mil. debt at Sept. 30, or 0.38 times \$124.7 equity (equal to \$16.10/sh.). And about 62% of debt is potentially convertible into stock. And while large overhanging conversion has limited per-share results, all conversion and stock sales in 1985 were at prices over book value -- meaning a net increase in book value per share.

**Exposure - C:** Direct property operations appear nicely profitable despite the competitive nature of mini-warehouses. SEQ also gets good returns from joint investments with other Public Storage partnerships, and during 1985 had extra income from cash (\$48 mil. at Sept. 30). SEQ generally holds 33% to 50% interests in its properties (the rest being held by Public Storage partnerships), thus potentially limiting management flexibility. Lower interest rates may let SEQ acquire properties without using the convertibles which have restrained EPS and CFS. Too, SEQ has plans to sell two properties to a new Public Storage partnership, and other sales may take place over time.

**EastGroup Properties (31-ASE)** maintains A Rank in our annual review of this equity REIT that has some characteristics of a REIT mutual fund.

**EPS/Dividends - B:** EGP earned \$2.70/sh. from operations in the Nov. 1985 year, down 13%, largely because of



lower holdings of mortgages and properties due to sales and paybacks. More unpredictable gains on property sales fell to \$1.70/sh. from \$6.59, bringing total 1985 net to \$4.40/sh. EGP paid \$6.59/sh. dividends including some 1984 capital gains, and distributions were 63% capital gain.

**Assets and operations:** EGP invested assets of \$56.5 mil. before \$4.2 mil. loss reserve are 30% earning land purchase/leasebacks; 10% earning real estate owned; 8% earning mortgage loans; 11% nonearning property and mortgages; 18% investment in partnerships; and 23% investment in REIT securities. Land/leasebacks cover 28 properties, mainly apartments and hotels. Properties owned include a Columbus, O. office obtained in exchange for a leaseback; an apartment and shopping center in Texas; and nonearning land near New Orleans.

EGP's partnership investments include a Tysons Corner, Va. office and \$9.9 mil. in a joint venture building a 68,500 SF office in Hercules, Cal. north of Richmond. Local bond financing repaid \$4.7 mil. of this investment in Dec. and the developer is discussing a substantial lease on the building. EGP also holds \$13.1 mil. of REIT stock at cost (\$14.3 mil. at market) including 37.9% of EastPark Realty (managed in common with EGP as part of the Eastover group); 6.8% of Pennsylvania REIT; and 6.9% of National Capital RET. EGP is discussing swapping its NCETS shares for a property.

**Financial Measures - A:** Mortgage debt of \$2 mil. is a negligible 0.04 times \$56.9 mil. equity, equal to \$21.03/sh. Liquidity is good.

**Exposure - A:** EGP is slowly unwinding its portfolio of older leasebacks by sale, repurchase under options, or exchanges, and investing proceeds after distributions into properties believed to have more potential. High liquidity gives it maneuverability.

**IRT Property Co.** (\$18.25--NYSE) maintains A Rank by extending cash flow and dividend gains.

**EPS/Dividends - A:** IRT earned \$1.30/sh. from operations in 1985 under general accounting principles, up 21.5%

for the year and well above the 8.7% annual rate over the past five years. Net operating cash flow per share of \$1.43/sh. rose 16% and again exceeded the 9.1% five-year growth. IRT also cashed 24¢ gain on property sales in 1985, vs. \$1.08/sh. in 1984. Dividends were \$1.41/sh., adjusted for a 5-for-4 split, up 19.5% and up at 14.2% over five years. About 27% was capital gains, the rest ordinary income. Current payout is at \$1.50 annually.

**Assets and Operations:** A combination or balanced trust, IRT's \$61.4 mil. invested assets at Sept. 1985 were 37% mortgages; 1.5% land and joint ventures; 46% net property; and 15% investment in direct financing leases. About \$6.3 mil. mortgages were subsequently repaid. IRT's properties of \$37.9 mil. at cost include 10 Sunbelt shopping centers with 1.02 mil. sq. ft. at \$18.50/SF cost; 644 apartments at \$15,700/DU cost; 807,000 SF industrial at \$7.28/SF cost; and leasebacks on eight other shopping centers with 1.13 mil. SF. Direct financing leases totaling \$9.25 mil. are mainly on four Wal-Mart Stores in Neb., La. and Tex. returning 10.2% for four years plus percentages of sales thereafter. Three centers in Charlotte, N.C. and Venice and Ft. Myers, Fla. are being renovated and modernized. IRT is also financing industrial development of a 14-acre tract in Charlotte by a separate public company, IRT Realty Services.

**Financial Measures - A:** Debt of \$14.6 mil. at Sept. 30 was 0.2 times \$68.5 mil. shareholders' equity at cost following an Oct. offer of 1.305 mil. shs. at \$15.75. Net book value is \$10.82 plus \$1.47/sh. accumulated depreciation for \$12.29/sh. total. Liquidity is very good.

**Exposure - A:** IRT has positioned itself with a conservative mix of mortgages and direct financing leases plus strip shopping centers which can benefit from renovation and apartments with condo conversion potential.

**Mortgage Growth Investors** (\$18.88--ASE) holds A Rank in our annual review of this hybrid or combination REIT.

**EPS/Dividends - A:** MTG earned \$1.49/sh. in its Nov. 1985 year, down 4% mainly because contingent interest on



investments added only 4¢ in 1985, down from 18¢. Base operating income before depreciation was \$1.61/sh, up 6%. Operating EPS has risen at 4.7% over the past five years, which understates MTG's progress over that time. Dividends have risen at 6% over that span and are now at \$1.60 rate. Payout was 6% capital gain in 1985, the rest taxable income.

**Assets and operations:** As a combination REIT MTG holds \$74.9 mil. net invested assets divided 50% net property investment after depreciation (of \$1.00/sh.); 22% mortgages with equity kickers; 22% straight mortgages; 5% real estate partnerships; and 1% foreclosed property for sale. Holdings are 50% residential, 34% industrial, and 7.5% each shopping center and office. In recent years MTG has moved to expand industrial properties by acquiring interests in medium sized (under \$10 mil.) buildings in active metropolitan areas; most recent purchases have been of properties considered "small" by large institutions. Property purchases during 1985 included a package of six Cincinnati industrial properties, most in Circle Freeway park, bought for \$8.3 mil. or \$13.50/SF on 615,000 SF; five properties with about 230,500 SF in Weldon Business Center, St. Louis, bought via a convertible loan at \$23.50/SF; and GMAC Office in Charlotte, acquired at \$65.55/SF. Operating income before depreciation from equities rose 26% in 1985, mainly because of new investments and higher apartment rents. Mortgage loan interest rose 9%, mainly due to slightly higher investment fundings and higher rates on newer loans. Industrial occupancy is near 95% and most new industrial properties were 98%-100% occupied. Most initial yields were 10%-12%.

**Financial Measures - A:** Debt of \$15.3 mil. is 0.17 times equity of \$88.6 mil. at cost, or \$14.91/sh. Leverage is conservative. Liquidity is very high as MTG ended 1985 with \$27.3 mil. cash and equivalents, mainly due to June 1985 offering of 1.75 mil. shs. at \$18.875 for \$30.8 mil. net proceeds.

**Exposure - A:** MTG has shown resourcefulness and staying power in working out of several troubled investments arising from the mid-1970s. Its strategy of focusing upon industrial proper-

ties seems to make sense, although no realty markets are immune to competition, and purchase prices seem well below replacement value. Liquidity and low leverage should stand MTG in good stead during any soggy markets.

**International Income Property Inc.** (\$11.38--ASE) returns to A Rank with an uptick in net cash flow and dividends for this equity trust owner of major mall centers.

**EPS/Dividends - B:** IIP earned 19¢ from operations in 1985 under general accounting principles, level with 1984 which also included 18¢ sh. gain on property sale. Net operating cash flow computed by Audit was 70¢, up 3%. Distributions of 94¢ rose 8% in 1985 and at 6.5% over five years. With operating cash flow covering only about 75% of distributions, the shortfall amounted to \$2 mil. in 1985.

**Assets and operations:** IIP positions itself to own the dynamic mall portions of major enclosed mall shopping centers, in which major anchor department stores generally own their own facilities and provide the retail "draw". In this way IIP seeks to profit from leases to mall tenants that are shorter and carry higher percentages of sales than normally made with anchors. IIP owns a net 1.74 mil. sq. ft. in five major centers, its space divided 1.42 mil. SF in mall stores (81.5% of space) and 322,000 SF leased to anchors, with J.C. Penney accounting for 65% of this. The five centers contain a total 4.57 mil. SF, of which anchors own 50% (2.3 mil. SF) and a joint venture partner in one center owns 11% (523,000 SF). IIP thus hopes to benefit from the draw of these anchors. Overall IIP owns space rented to 635 mall tenants, or an average 2,235 SF per tenant. IIP's five centers and IIP's percentage of total space are:

| Center                             | Total SF | IIP % |
|------------------------------------|----------|-------|
| Oglethorpe, Savannah..             | 814 Th.  | 51.4% |
| Northgate, Chattanooga             | 804 "    | 45.0  |
| #Landmark, Alexandria.             | 686 "    | 18.1  |
| Meadows, Las Vegas....             | 893 "    | 35.3  |
| *Park City, Lancaster.             | 1,373 "  | 38.1  |
| # Open center, converting to mall. |          |       |
| * 50% owned joint venture.         |          |       |



Oglethorpe Mall is the only enclosed mall in its trade area; IIP converted an older store to an upscale fashion center ("Promenade") during 1985 and average rents rose 6.3%. A larger speciality mall was opened at Northgate in late 1984 and total rents have risen 25% in two years. Total redevelopment of Landmark Center into a two-level mall and more than doubling IIP's space is expected to begin in 1986. At Park City IIP renovated 65,000 of unused lower-level space into a food court and speciality mall in 1985, boosting rents 6%. Meadows in Las Vegas was acquired in Dec. 1985 for \$60.5 mil. (or \$191/SF for 316,000 net SF); about 44% of leases expire the next four years.

**Financial Measures - A:** Because IIP can only borrow with mortgages secured by properties, it borrowed \$60 mil. to buy Meadows via a \$38.35 mil. secured loan from its sponsor, Lend Lease of Australia, and assumed a \$21.7 mortgage. As result IIP debt of \$71.6 mil. at year-end is 1.12 times equity at cost but only 0.6 times equity at current asset value. The purchase used most trust liquidity and IIP is currently offering shareholders the right to purchase 1.879 mil. shs. at \$10.25 thru Mar. 25 (or one sh. for each 5 sh. held). U.S. Lend Lease has agreed to buy all unsubscribed shares. IIP will use about \$15.85 mil. of net proceeds to refinance part of the purchase loan from its sponsor, and use the rest for planning Landmark Center redevelopment. IIP estimates Landmark redevelopment to cost \$75 mil. over the property's \$23.4 mil. cost and has secured a \$100 mil. secured construction loan commitment from an overseas bank.

**Current Value:** IIP estimates year-end current net asset value at \$127.2 mil. or \$13.55/sh., based upon appraisals by a nationally recognized appraisal firm.

**Exposure - B:** Acquisition of the Las Vegas mall has increased leverage well above IIP's historic norms, and the ambitious Landmark Center reconstruction plan could also strain finances and reported income/cash flow over the next couple of years. IIP is positioned to benefit from retailing growth by smaller mall tenants in its centers.

**MSA Realty Corp.** (\$10.88--ASE) is not ranked in our annual review because of brief operating history, just short of two years. Organized in Mar. 1984, SSS is the public shopping center vehicle of Mel Simon Assoc., second largest U.S. shopping center owner/operator. Because it is still building a group of shopping centers, it did not qualify as a REIT for 1985 but expects to do so in 1986.

**EPS/Dividends:** SSS earned 80¢ sh. before non-cash charges in 1985, down from \$1.16 in the shortened 1984 that included significant interest income following its initial offering. After non-cash charges for depreciation, amortization and amortization of discount on debentures, SSS lost 35¢ sh. in 1985. SSS is paying 80¢ annual rate, all expected to be return of capital for 1985 (1986 status undetermined).

**Assets and operations:** By end of 1985, SSS had opened four newly built community shopping centers, had two more centers under construction, and is renovating an enclosed mall bought in 1984, all in partnership with Mel Simon. A seventh community center is in planning. When all are complete, SSS will own 1.38 mil. SF (or 53%) of eight centers with 2.59 mil. SF. The enclosed mall being renovated is 590,000 SF Crossroads Center in Omaha, where SSS owns a net 388,000 SF (66%). The seven community centers all will be in northern Illinois near Chicago, in Burbank, Bloomingdale, Elgin, Joliet, Orland, Rockford, and Waukegan. When all are done SSS will own 996,000 net SF or 49.6% of a total 2.0 mil. SF. SSS' space will be leased two-thirds to anchors and large stores, the rest to smaller mall shops. Major anchors in the Chicago-area stores include Marshall's, Venture, Builders Square, Service Merchandise, Kohl's, Mr. How, Zayres, and others. Virtually all anchor space is leased and centers that opened in late 1985 are substantially all leased.

**Joint venture structure:** Mel Simon Assoc. essentially buys and develops the centers at its cost with SSS providing 100% of funds via construction loans. SSS becomes a general partner in the ventures. During construction SSS earns interest on its money. During opera-



tions SSS receives a 9% preferred return until its investment is returned. It's expected each venture will refinance its properties with non-recourse third-party debt when advantageous, with SSS retaining a 50% equity. With mortgage rates falling, this mortgage refinancing window may open soon.

**Financial Measures:** Like Storage Equities, SSS is capitalized with low-coupon 9.25% debentures that can be used at par to exercise warrants. The \$75 mil. debentures were sold in units of 111 wts. for each \$1,000 bond, or an effective 26.4% original issue discount, which is being amortized over the 10-yr. debenture life (and thus provides tax shelter to distributions). The initial offering of 2.42 mil. shs. was also in \$10 units of one sh. and one-half wt. Audit views this as \$75 mil. face amount of debt being 4.0 times shareholders' equity of \$18.76 mil. net of \$16.8 mil. unamortized discount at Sept. 30 and \$2.3 mil. unamortized debt issuance costs. Net book value is \$7.69/sh.

As result SSS has 9.5 mil. wts. to buy shs. at \$9, which also trade ASE at \$2.63, or a 7% premium over the stock price currently. Wts. are exercisable thru April 1, 1989. While the high 3.9 warrant coverage per share could restrain the stock, the wts. offer high leverage at a modest premium.

**Exposure:** By focusing on Midwestern markets, SSS hopes to obtain stable retailing growth in solid metropolitan markets, where shopping centers are competitive but not overbuilt. Falling interest rates give it good refinancing opportunities.

**Investors GNMA Mortgage-Backed Securities Trust Inc (\$26.25--OTC)** is not ranked in our annual review, mainly because of short operating history since

its organization in June 1983.

**EPS/Dividends:** INVG earned \$19.91/sh. under general accounting principles in 1985, up 64%. Taxable income, used to determine distributions, was \$5.56/sh, up 88%. INVG paid \$5.56. The big divergence between GAAP and taxable income arises from differences in accreting discount on \$1.97 bil. of GNMA certificates it holds. INVG has sold \$1.96 bil. GNMA-back sequential pay bonds backed by these assets, profiting from the interest spread. With interest rates falling, INVG cautions that payback of its GNMA loans could speed up and narrow its interest margin, adding "shareholders should not base their evaluation of...shares solely on the current level of dividend payments."

**Consolidated Capital Realty Investors (\$10.38--OTC)** lost 46¢ after depreciation in the fourth (Nov.) qtr. We ranked CCPLS at C in Jan. (RSR, Jan. 10) and do not change that Rank. CCPLS ended its Nov. 1985 fiscal year with \$1.28/sh. net income under general accounting principles, derived 1¢ operating income, \$1.23 gain on property sales, and 4¢ gain on note sales. The Nov. qtr. included 19¢ sh. loss provision to write to market value four foreclosed apartment projects with 994 DU; projects are in Dallas, Tulsa, Ft. Worth and Atlanta. CCPLS now owns 10 apartment projects with 3,951 DU, including 2,852 in Houston (72% of apartments), and three shopping/commercial properties with 345,000 SF. It continues to expect properties to operate on a negative cash flow basis in 1986, with income from \$57.8 mil. net investment in wrap-around mortgages on properties previously sold providing continuation of the \$1.68 annual dividend rate. Shs. remain an aggressive recovery speculation.

COMPARATIVE REALTY STOCK GROUP AVERAGE 03/11/86

| GROUP NUMBER & NAME        | DIV | NON-DIV | TOTAL | SHARE (000) | BOOK VALUE | ANNUAL DIV | EARN ANN | LAST PRICE | % CHG FEB 25 | FROM JAN 1 | P/E RATIO | ANNUAL YIELD | % PR TO BK | RETURN ON BK | MARKET VAL (000) |
|----------------------------|-----|---------|-------|-------------|------------|------------|----------|------------|--------------|------------|-----------|--------------|------------|--------------|------------------|
| 1 PROPERTY REITS           | 37  | 7       | 44    | 5265        | 11.62      | 1.23       | 1.05     | 16.23      | 3.8          | 6.8        | 15.4      | 7.6          | 39.7       | 9.0          | 3880.9           |
| 2 PROP & MTC COMB REITS    | 18  | 2       | 20    | 5156        | 12.72      | 1.47       | 1.79     | 15.81      | 3.1          | 2.9        | 8.8       | 9.3          | 24.3       | 14.1         | 1722.6           |
| 3 MORTGAGE REITS           | 14  | 2       | 16    | 5860        | 14.71      | 1.87       | 2.37     | 15.95      | 3.3          | 9.8        | 6.7       | 11.7         | 8.4        | 16.1         | 1516.2           |
| 4 PARTICIPATING MTC REITS  | 12  | 1       | 13    | 7899        | 12.48      | 1.24       | 1.14     | 13.52      | 0.8          | 4.1        | 11.9      | 9.2          | 8.3        | 9.1          | 1460.5           |
| 5 MAJOR HOMEBUILDERS       | 8   | 2       | 10    | 14248       | 11.62      | 0.35       | 1.79     | 25.00      | 17.4         | 46.2       | 14.0      | 1.4          | 115.1      | 15.4         | 2947.3           |
| 6 OTHER BLDG/DEVELOPERS    | 8   | 27      | 35    | 4874        | 6.05       | 0.15       | 0.43     | 10.80      | 16.9         | 28.0       | 25.2      | 1.4          | 78.5       | 7.1          | 1867.5           |
| 7 INCOME PROP BLDG/OWNER   | 15  | 9       | 24    | 5621        | 10.72      | 0.66       | 0.98     | 16.33      | 3.3          | 1.9        | 16.7      | 4.0          | 52.4       | 9.1          | 2844.6           |
| 8 MORTGAGE BANKER/FINANCE  | 9   | 6       | 15    | 9880        | 11.09      | 0.71       | 1.31     | 15.94      | 4.8          | 12.6       | 75.9      | 4.5          | 43.7       | 1.9          | 3922.3           |
| 9 DIVERSIFIED RLTY/HOLDING | 12  | 8       | 20    | 23322       | 13.23      | 0.29       | 0.21     | 18.79      | 2.7          | 11.5       | 14.4      | 1.5          | 42.1       | 9.9          | 14003.1          |
| 10 RLTY SVCS/SYNDICATORS   | 4   | 2       | 6     | 7698        | 5.55       | 0.11       | 0.68     | 13.33      | 2.9          | 28.0       | 19.8      | 0.8          | 140.2      | 12.2         | 583.4            |
| 11 MANUFACTURED HOUSING    | 3   | 7       | 10    | 11767       | 5.47       | 0.12       | 0.15     | 12.97      | 13.7         | 40.8       | 88.2      | 1.0          | 137.2      | 2.7          | 1633.1           |
| 1 LIQUIDATING COMPANIES    | 2   | 0       | 2     | 11349       | 3.84       | 0.99       | 1.42     | 3.73       | 3.0          | 6.7        | NC        | NC           | -2.6       | NC           | 49.6             |
| P PREFERRED STOCKS         | 2   | 0       | 2     | 1923        | 11.25      | 0.93       | 0.00     | 13.75      | 3.8          | 5.3        | NC        | NC           | 22.2       | NC           | 53.4             |
| OVERALL AVERAGE            |     |         | 217   | 8252        | 10.64      | 0.81       | 1.06     | 15.52      | 6.0          | 12.7       | 14.6      | 5.2          | 45.8       | 7.6          | 36444.4          |
| DOW JONES INDUSTRIALS      |     |         |       |             |            |            | 96.11    | 1746.05    | 3.2          | 12.9       | 18.2      | 3.7          |            |              |                  |
| STANDARD & POOR'S 500      |     |         |       |             |            |            | 15.28    | 231.69     | 3.5          | 9.7        | 15.2      | 3.5          |            |              |                  |
| DOW JONES UTILITIES        |     |         |       |             |            |            | 19.59    | 186.81     | 1.2          | 6.9        | 9.5       | 7.6          |            |              |                  |